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Opening Statement of Sen. Chuck Grassley
Hearing: “Improving Health Care Quality: An Integral Step Toward Health Reform”
Tuesday, September 9, 2008

There have been three overarching themes during our discussions this year about reforming the health care system: access, cost and quality. Today, we will continue this discussion with a deeper examination of health care quality. In the report “Crossing the Quality Chasm,” the Institute of Medicine said that “between the health care we have now and the care we could have lies not just a gap, but a chasm.” Don’t get me wrong. There are dedicated providers out there who work hard day in and day out to provide high quality care.

But not all providers are at this level. Recent Dartmouth research shows this. There are wide geographic variations in the quality of care provided. So the challenge is – how do we work to make sure that ALL providers give the right care at the right time? A fundamental building block to meeting this challenge is performance measurement. After all, how can any improve quality if we can’t measure it in the first place? I am pleased to see the dedication that many are giving to current efforts to measure quality performance. This is a substantial undertaking. But the end result will enable us to draw apples-to-apples comparisons between providers based on quality.

In Medicare, we’ve added financial incentives for a number of providers to participate in performance measurement. Hospitals, home health agencies and physicians currently receive some form of payment incentive for reporting quality measures. But this is just a first step. If we are able to figure out who is or is not passing muster, we have to devise a system to encourage everyone to become a high-quality performer.

The way Medicare currently pays for health care certainly doesn’t provide incentives to improve quality. Today, the poor quality provider gets paid the same as the high quality provider. In some instances, the poor quality provider gets paid even more. In fact, the current system encourages a high volume of services instead of quality. It is just disgraceful to me that Medicare rewards poor quality care in many cases. And because many private health plans follow Medicare’s lead in how they pay providers, these flaws in Medicare spread to the entire system. It’s a big problem. Congress needs to make changing the way Medicare pays for health care a priority. And then insurers need to change their incentives as well. We need incentives for quality instead of quantity. Value-based purchasing would provide the right incentives. High quality providers should be financially rewarded while poor quality providers are encouraged to do better. Payment systems that

reward quality have been tested both in Medicare and the commercial market. And they has shown promising results.

Senator Baucus and I convened a roundtable discussion earlier this year on Medicare hospital value-based purchasing. There was overall support for such a concept. And I look forward to working with Senator Baucus, Committee members and stakeholders to make this a reality.

Today, we are very fortunate to have many of the major health system stakeholders here to talk about how to improve the quality of care that hospitals – and doctors – provide. I look forward to hearing the perspectives of purchasers, plans, hospitals and physicians on how to improve quality. And I am even more interested in learning about how we can all work together to improve quality. Because if there was one message we heard loud and clear at the roundtable on value-based purchasing, it is that we all must work together to improve quality in our health care system.